



## Treasury Inspector General for Tax Administration

### **POSITIVE STEPS HAVE BEEN TAKEN TO ENHANCE THE SHARING OF INFORMATION BETWEEN FEDERAL AGENCIES, BUT ADDITIONAL ACTIONS ARE NEEDED**

**Issued on August 31, 2007**

## Highlights

Highlights of Report Number: 2007-30-168 to the  
Internal Revenue Service Deputy Commissioner for  
Services and Enforcement

### **IMPACT ON TAXPAYERS**

The Internal Revenue Service (IRS) has recognized the need to collaborate with other Federal Government agencies to leverage resources and further its strategic goals. The sharing of information creates the potential to improve tax administration and help other Federal Government agencies achieve their goals. The IRS has a history of establishing relationships with Federal Government agencies. The FedFed Program was created to develop and manage current and future relationships with other Federal Government agencies.

### **WHY TIGTA DID THE AUDIT**

This audit is part of our discretionary audit coverage and was one of the requests made by the IRS for audit coverage during this fiscal year. The review was conducted to determine whether the Small Business/Self-Employed Division FedFed Program is meeting its stated Program goals and objectives.

### **WHAT TIGTA FOUND**

Progress has been made in achieving the objectives of the FedFed Program since its inception in March 2006. A FedFed Council was established to provide strategic guidance and to assist in the rollout of the new Program. In addition, FedFed Program instructor and student guides were created; a template was created for IRS employees to submit initiatives for FedFed Program consideration; a Program team charter was developed; and meetings were held with several Federal Government agencies, resulting in new agreements. The Council developed an informal communication and action plan that identifies tasks to be accomplished.

However, the IRS needs to address several issues to ensure all of the objectives of the FedFed Program are accomplished. Complete and accurate databases of

current Federal Government initiatives and associated contacts in other Federal Government agencies need to be developed because they are vital to ensure projects with other agencies are properly coordinated and monitored. As of April 2007, the IRS had not completed a verification and review of the existing database of FedFed Program initiatives to ensure its completeness and accuracy.

In addition, the current strategy to communicate the existence and objectives of the FedFed Program needs to be improved. Future initiatives will originate from either IRS divisions or other Federal Government agencies. The current communication plan needs to be developed further to inform both internal and external stakeholders of the FedFed Program and to solicit participation in the Program. Finally, simplification of the initial application process may encourage more ideas for initiatives.

### **WHAT TIGTA RECOMMENDED**

TIGTA recommended the Deputy Commissioner for Services and Enforcement follow up to make sure each IRS division provides updates to ensure the FedFed Program database is complete and accurate. The FedFed Program Manager should ensure all key data elements are included in the database. The Commissioner, Small Business/Self-Employed Division, should further develop the communication plan to inform both internal and external stakeholders of the FedFed Program and should consider allowing new initiatives to be submitted on a single-page template for initial consideration.

In their response to the report, IRS officials agreed with our recommendations and stated they expect implementation of the recommendations will assist the IRS in cooperating more effectively with other Federal Government agencies. Some actions have already been implemented, such as establishing a process for each IRS division to provide regular updates on their activities with other Federal Government agencies to the FedFed Program. The corrective actions the IRS plans to take are appropriate.

### **READ THE FULL REPORT**

To view the report, including the scope, methodology, and full IRS response, go to:

<http://www.treas.gov/tigta/auditreports/2007reports/200730168fr.pdf>.

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